RANDOM HOUSE, INC.
201 EAST 50TH STREET, NEW YORK, N.Y. 10022
TELEPHONE 212 751-2600

RICHARD UDELL
COUNSEL

September 29, 1975

Lawrence A. Klein, Esq.
Spaeth, Blase, Valentine & Klein
400 Channing Avenue
P. O. Box 1320
Palo Alto, California 94302

Re: "The Last Whole Earth Catalog"

Dear Mr. Klein:

Enclosed please find Random House check No. 241488 dated September 26, 1975 in the sum of $7,187.48, payable to Portola Institute. This is the appropriate payment with respect to the charge in the same sum concerning returns, which charge was determined to be not due to Random. I enclose a copy of the worksheet from our accounting department showing the financial details of this matter.

In addition to the above, I wish to confirm that Random will notify its customers to make all returns of the Catalog by November 30, 1975 if they wish to receive credit therefor, and that Random will then remit to Portola not later than December 31, 1975 the unused portion of the reserve for returns.

I wish to mention one further point which I believe was agreed and that is, should Random be charged for credits after November 30, 1975 notwithstanding its notification to its customers, Portola agrees to reimburse Random for any such credits. As I explained, our main concern has been that our customers would take credit for returns regardless of our notification to them, and we felt we needed to hold monies to protect ourselves in this respect. Random's understanding in this matter is conditioned on this assurance.

With respect to the matter of interest on the reserve, I still have not received confirmation of this and I am not sure Random will ultimately be willing to agree. We will, in accordance with your request, stop filling orders from saleable returns.

Very truly yours,

Richard Udell

RU/gec

PORTOLA INSTITUTE
"LAST WHOLE EARTH CATALOG
INCEPTION TO 6/20/75

	GROSS SALES		RETURNS	
	COPIES	$	COPIES	$
OLD EDITION:				
INCEPTION TO 6/30	1,255434	3,34834909	35234	9744669
REVISED EDITION	196063	5221605 3	19458	5066818
CLOTH EDITION	2319	132621	782	452534
	1,453816	3,89702198	55474	15264018

60% OF GROSS SALES	23382132
ACTUAL RETURNS	15264018
EXCESS RETURN	-0-

CHARGE OF ACCOUNTING $ 7,187.48 TO BE CREDITED ON FINAL